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Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-07 NSC-05
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00
CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 PRS-01 INT-05
FRB-01 XMB-04 OPIC-06 LAB-04 SIL-01 L-03 /102 W
----------068479 061134Z /10
R 060954Z JUL 77
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC 2658
INFO AMCONSUL KARACHI
AMCONSUL LAHORE

UNCLAS ISLAMABAD 6883

E.O. 11652: N/A
TAGS: BDIS, PK, US
SUBJ: PRESS REPORTS POSSIBLE US STEEL FIRMS BLACKLIST

REF: A) LAHORE 0493 (NOTAL)
B) KARACHI 2243 (NOTAL)

1. THE JULY 5 EDITIONS OF DAWN AND NEW TIMES CARRY A STORY STATING THAT "SOME TEN U.S.FIRMS MAY BE BLACKLISTED BY PAKISTAN FOR INDULGING IN UNETHICAL AND UNFAIR BUSINESS PRACTICES". THE STORY QUOTES "RELIABLE SOURCES" AS SAYING THAT "A STRONG RECOMMENDATION" FOR BLACKLISTING HAS BEEN MADE BY THE COMMERCIAL SECTION OF THE PAKISTAN CONSULATE GENERAL IN NEW YORK.

2. THE TEN FIRMS LISTED IN THE STORY ARE: MESSRS BRB EXPORT CORP., PITTSBURG STAINLESS CORP., LIBERTY STEEL AND METALS CORP., AMERASIA INDUSTRIAL CORP., DAVID I. WIKOFF CO., ASSOCIATED METALS AND MINERALS, U.S. STAINLESS CORP., FRANKLIN INTERNATIONAL, SUPREME STAINLESS STEEL, AND THE NATIONAL STEEL AND TINPLATE WORKS.

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EM ACCORDING TO THE PRESS THE PAKISTANI CG'S REPORT SUGGESTED THAT THE STATE BANK OPEN NO LETTERS OF CREDIT IN FAVOR OF THE FIRMS, SINCE "SEVERAL" PAKISTANI IMPORTERS HAD COMPLAINED OF "INCORRECT AND INFERIOR QUALITY OF STEEL AND METALS BY CERTAIN AMERICAN STEEL FIRMS". INQUIRIES BY THE CG IN NEW YORK REPORTEDLY REVEALED THAT THE FIRMS WERE "FINANCIALLY UNSOUND, AND WERE IN BUSINESS TO MAKE EASY

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MONEY AT THE COST OF PAKISTANI IMPORTERS".

4. TWO OF THE FIRMS, BRB STEEL EXPORTS CORPORATION, 160 BROADWAY, NEW YORK, AND AMERASIA INDUSTRIAL CORPORATION, 1776 BROADWAY, NEW YORK, WERE THE SUBJECT OF BLASTS IN THE LAHORE URDU PRESS APRIL 26, 27, AND 28 (REFA). THEY WERE ACCUSED OF "DEVIATING FROM INTERNATIONAL BUSINESS NORMS". AFTER CHECKING WITH THE EXPORT PROMOTION BUREAU, CONGEN KARACHI (REF B) REPORTED THAT THE BUREAU HAD NO KNOWLEDGE OF THE LAHORE REPORTS.

5. CONGEN KARACHI ALSO REPORTED (REF B) THAT TRADE COMPLAINT FILES EXIST ON BRB AND AMERASIA, ALTHOUGH THE LATTER COMPLAINT APPEARS TO HAVE BEEN BASELESS. A MAJORITY OF TRADE COMPLAINT CASES, AS REPORTED BY CONGEN KARACHI, INVOLVE SHADY EXPORTERS OF IRON AND STEEL SCRAP.
HUMMEL

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Copy: SINGLE
Sent Date: 06-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Subject: PRESS REPORTS POSSIBLE US STEEL FIRMS BLACKLIST
TAGS: BDIS, PK, US
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